

HOUSE BILL NO. 752

INTRODUCED BY T. CALLAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOAN TO THE SUPREME COURT FOR FINANCING THE COST OF INFORMATION TECHNOLOGY IMPROVEMENTS IN THE JUDICIAL BRANCH; PROVIDING FOR THE AMOUNT AND DURATION OF THE LOAN; PROVIDING A METHOD OF REPAYING THE LOAN; PROVIDING AN APPROPRIATION; CREATING A STATE DEBT; AMENDING SECTIONS 17-5-2001, 61-3-103, 61-3-203, AND 61-3-204, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-5-2001, MCA, is amended to read:

"17-5-2001. (Temporary) Loans to state agencies. (1) An agency responsible for the procurement and provision of vehicles, automated systems, and equipment using an enterprise fund or an internal service fund, as described in 17-2-102, is authorized to enter into contracts, loan agreements, or other forms of indebtedness payable over a term not to exceed 7 years for the purpose of financing the cost of the vehicles and equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund or internal service fund if:

(a) the term of the indebtedness does not exceed the useful life of the items being financed; and

(b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees and charges approved by the legislature and other available fund revenue, will be sufficient to repay the indebtedness over the proposed term and to maintain the operation of the enterprise.

(2) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed \$22.5 million, payable over a term not to exceed 10 years, for financing the cost of an information technology system for the production and maintenance of motor vehicle title and registration records and driver's license records.

(b) For purposes of the financing of the motor vehicle information technology system, loans are payable from the money in the motor vehicle information technology system account as provided in 61-3-550. The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made,

1 the projected revenue of the motor vehicle information technology system account, based upon the fees
2 approved by the legislature, must be sufficient to repay the indebtedness over the proposed term.

3 (3) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms
4 of indebtedness with the board of investments for an amount not to exceed \$1,120,000, payable over a term not
5 to exceed 7 years, for the acquisition of video gambling automated accounting and reporting system data
6 collection units.

7 (b) The loan is payable from the department of justice's annual appropriation from the general fund.

8 (c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time
9 that the loan is made, the department of justice's base budget appropriation from the general fund must be
10 sufficient to repay the indebtedness with respect to the video gambling data collection units over the proposed
11 term of the loan.

12 (d) The loan is subject to the risk of nonappropriation.

13 (4) (a) If bonds are not issued for the project authorized in 15-1-140, the department of revenue is
14 authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of
15 investments for an amount not to exceed \$17 million, payable over a term not to exceed 7 years, for the
16 acquisition of a replacement system for the process oriented integrated system (POINTS) computer system.

17 (b) The loan is payable from the department of revenue's appropriation from the administrative
18 assessment provided for in 15-1-141.

19 (c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time
20 that the loan is made, the projected revenue from the administrative assessment provided for in 15-1-141 must
21 be sufficient to repay the indebtedness with respect to the replacement system over the proposed term of the
22 loan.

23 (d) The loan is subject to the risk of nonappropriation.

24 (5) (a) The supreme court is authorized to enter into contracts, loan agreements, or other forms of
25 indebtedness with the board of investments for an amount not to exceed \$3.1 million, payable over a term not
26 to exceed 6 years, for financing the cost of a court information technology improvement program for information
27 technology improvements in the judicial branch.

28 (b) For purposes of the financing of the court information technology improvement program, loans are
29 payable from the money in the court information technology improvement program account, as provided in
30 [section 5]. The term of the indebtedness may not exceed the useful life of the items being financed. At the time

1 that the loan is made, the projected revenue of the court information technology improvement program account,
2 based upon the fees approved by the legislature, must be sufficient to repay the indebtedness over the proposed
3 term. (Terminates June 30, 2011--sec. 18, Ch. 597, L. 2003.)

4 **17-5-2001. (Effective July 1, 2011) Loans to state agencies.** (1) An agency responsible for the
5 procurement and provision of vehicles, automated systems, and equipment using an enterprise fund or an
6 internal service fund, as described in 17-2-102, is authorized to enter into contracts, loan agreements, or other
7 forms of indebtedness payable over a term not to exceed 7 years for the purpose of financing the cost of the
8 vehicles and equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund
9 or internal service fund if:

10 (a) the term of the indebtedness does not exceed the useful life of the items being financed; and

11 (b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees
12 and charges approved by the legislature and other available fund revenue, will be sufficient to repay the
13 indebtedness over the proposed term and to maintain the operation of the enterprise.

14 (2) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms
15 of indebtedness with the board of investments for an amount not to exceed \$22.5 million, payable over a term
16 not to exceed 10 years, for financing the cost of an information technology system for the production and
17 maintenance of motor vehicle title and registration records and driver's license records.

18 (b) For purposes of the financing of the motor vehicle information technology system, loans are payable
19 from the money in the motor vehicle information technology system account as provided in 61-3-550. The term
20 of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made,
21 the projected revenue of the motor vehicle information technology system account, based upon the fees
22 approved by the legislature, must be sufficient to repay the indebtedness over the proposed term.

23 (3) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms
24 of indebtedness with the board of investments for an amount not to exceed \$1,120,000, payable over a term not
25 to exceed 7 years, for the acquisition of video gambling automated accounting and reporting system data
26 collection units.

27 (b) The loan is payable from the department of justice's annual appropriation from the general fund.

28 (c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time
29 that the loan is made, the department of justice's base budget appropriation from the general fund must be
30 sufficient to repay the indebtedness with respect to the video gambling data collection units over the proposed

1 term of the loan.

2 (d) The loan is subject to the risk of nonappropriation.

3 (4) (a) The supreme court is authorized to enter into contracts, loan agreements, or other forms of
4 indebtedness with the board of investments for an amount not to exceed \$3.1 million, payable over a term not
5 to exceed 6 years, for financing the cost of a court information technology improvement program for information
6 technology improvements in the judicial branch.

7 (b) For purposes of the financing of the court information technology improvement program, loans are
8 payable from the money in the court information technology improvement program account as provided in
9 [section 5]. The term of the indebtedness may not exceed the useful life of the items being financed. At the time
10 that the loan is made, the projected revenue of the court information technology improvement program account,
11 based upon the fees approved by the legislature, must be sufficient to repay the indebtedness over the proposed
12 term. (Terminates June 30, 2013--sec. 15, Ch. 562, L. 2003.)

13 **17-5-2001. (Effective July 1, 2013) Loans to state agencies.** (1) An agency responsible for the
14 procurement and provision of vehicles, automated systems, and equipment using an enterprise fund or an
15 internal service fund, as described in 17-2-102, is authorized to enter into contracts, loan agreements, or other
16 forms of indebtedness payable over a term not to exceed 7 years for the purpose of financing the cost of the
17 vehicles and equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund
18 or internal service fund if:

19 (a) the term of the indebtedness does not exceed the useful life of the items being financed; and

20 (b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees
21 and charges approved by the legislature and other available fund revenue, will be sufficient to repay the
22 indebtedness over the proposed term and to maintain the operation of the enterprise.

23 (2) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms
24 of indebtedness with the board of investments for an amount not to exceed \$4.5 million, payable over a term
25 not to exceed 10 years, for financing the cost of an information technology system for the production and
26 maintenance of motor vehicle title and registration records and driver's license records.

27 (b) For purposes of the financing of the motor vehicle information technology system, loans are payable
28 from the money in the motor vehicle information technology system account as provided in 61-3-550. The term
29 of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made,
30 the projected revenue of the motor vehicle information technology system account, based upon the fees

1 approved by the legislature, must be sufficient to repay the indebtedness over the proposed term.

2 (3) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms
3 of indebtedness with the board of investments for an amount not to exceed \$1,120,000, payable over a term not
4 to exceed 7 years, for the acquisition of video gambling automated accounting and reporting system data
5 collection units.

6 (b) The loan is payable from the department of justice's annual appropriation from the general fund.

7 (c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time
8 that the loan is made, the department of justice's base budget appropriation from the general fund must be
9 sufficient to repay the indebtedness with respect to the video gambling data collection units over the proposed
10 term of the loan.

11 (d) The loan is subject to the risk of nonappropriation.

12 (4) (a) The supreme court is authorized to enter into contracts, loan agreements, or other forms of
13 indebtedness with the board of investments for an amount not to exceed \$3.1 million, payable over a term not
14 to exceed 6 years, for financing the cost of a court information technology improvement program for information
15 technology improvements in the judicial branch.

16 (b) For purposes of the financing of the court information technology improvement program, loans are
17 payable from the money in the court information technology improvement program account as provided in
18 [section 5]. The term of the indebtedness may not exceed the useful life of the items being financed. At the time
19 that the loan is made, the projected revenue of the court information technology improvement program account,
20 based upon the fees approved by the legislature, must be sufficient to repay the indebtedness over the proposed
21 term."

22
23 **Section 2.** Section 61-3-103, MCA, is amended to read:

24 **"61-3-103. Filing of security interests -- perfection -- rights -- procedure -- fees.** (1) (a) Except as
25 provided in subsection (2), the department, its authorized agent, or a county treasurer shall, upon payment of
26 the fee required by subsection (8), enter a voluntary security interest or lien against the electronic record of title
27 for a motor vehicle upon receipt of a written acknowledgment by a vehicle owner of a voluntary security interest
28 or lien on a form required by the department. The entry may be made if:

29 (i) the person is applying for a certificate of title and the manufacturer's certificate of origin or a certificate
30 of title is being surrendered; or

1 (ii) a transfer of ownership is not sought.

2 (b) After the voluntary security interest or lien has been entered on the electronic record of title for the
3 vehicle, the department, its authorized agent, or a county treasurer shall issue a transaction summary receipt
4 to the owner and, if requested, to the secured party or lienholder, showing the date that the security interest or
5 lien was perfected.

6 (c) A voluntary security interest or lien is perfected on the date that the department, its authorized agent,
7 or a county treasurer receives the written acknowledgment of the voluntary security interest or lien from the
8 owner of the vehicle.

9 (d) Unless a person applying for a certificate of title requests issuance of a certificate of title under
10 61-3-201, the department may not record a voluntary security interest or lien on the face of a certificate of title.

11 (2) A security interest in a motor vehicle held as inventory by a dealer licensed under Title 23, chapter
12 2, part 5, 6, or 8, or chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.

13 (3) Whenever a security interest or lien is filed against the electronic record of title for a motor vehicle
14 that is subject to two security interests previously perfected under this section and the applicant has requested
15 issuance of a certificate of title under 61-3-201, the department shall endorse on the face of the certificate of title,
16 "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice."
17 Other information regarding the additional security interests is not required to be endorsed on the certificate.

18 (4) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the
19 mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment
20 of motor vehicles, all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits
21 must be made with the department.

22 (5) A secured party or lienholder who has a perfected security interest in a vehicle and who fails to file
23 a satisfaction of the security interest or lien within 21 days after receiving final payment is required to pay the
24 department \$25 for each day that the secured party or lienholder fails to file the satisfaction.

25 (6) Within 24 hours after receiving notice of any involuntary liens or attachments against the record of
26 any motor vehicle registered in this state, the department shall mail to the owner or any secured party or
27 lienholder of record a notice showing the name and address of the lien claimant, the amount of the lien, the date
28 of execution of the lien, and, in the case of attachment, the full title of the court and the action and the names
29 of the attorneys for the plaintiff and attaching creditor.

30 (7) (a) This section does not prevent a secured party or lienholder from assigning the secured party's

or lienholder's interest in a motor vehicle, for which a certificate of title is issued under this chapter, to any other person without the consent of and without affecting the interest of the holder of the certificate of title.

(b) If a secured party assigns all or part of the party's interest in a motor vehicle for which a certificate of title is issued under this chapter, the secured party assigning the interest shall file a copy of the assignment with the department and the department shall record the assignment in the department's records.

(8) (a) A fee must be paid to the department to file any security interest or other lien against a motor vehicle. The fee covers the cost of entering and, upon the subsequent satisfaction or release, of removing the security interest or lien from the electronic record of title.

(b) Beginning January 1, ~~2002~~ 2006, and ending June 30, 2011, the fee is ~~\$8~~ \$9. Of the ~~\$8~~ \$9 fee, \$4 must be deposited in the state general fund in accordance with 15-1-504. The remaining ~~\$4~~ \$5 must be forwarded to the department of revenue for deposit as follows:

(i) \$4 in the motor vehicle information technology system account provided for in 61-3-550; and

(ii) \$1 in the court information technology improvement program account provided for in [section 5].

(c) Beginning July 1, 2011, the fee is \$4 and must be deposited in the state general fund.

(9) A fee of ~~\$10~~ \$11 must be paid to the department by a vehicle owner if, following satisfaction or release of a security interest and its removal from the department's records, the vehicle owner requests issuance of a new certificate of title without the security interest or lien shown on the face of the title. The ~~\$10~~ \$11 fee must be deposited as follows:

(a) \$10 in the motor vehicle information technology system account provided for in 61-3-550; and

(b) \$1 in the court information technology improvement program account provided for in [section 5].

(Subsection (9) terminates June 30, 2013--sec. 15, Ch. 562, L. 2003.)"

Section 3. Section 61-3-203, MCA, is amended to read:

"61-3-203. Fee for original certificate of title -- disposition. A person applying for a certificate of title shall pay a fee of ~~\$10~~ \$11 for issuance of an original certificate of title. The fee must be collected by the county treasurer or by an authorized agent of the department at the time of application. An additional fee of \$2 must be paid for light vehicles, trucks and buses weighing less than 1 ton, and logging trucks. The fees must be paid to the county treasurer or agent of the department and, of the ~~\$10~~ \$11 fee, \$5 must be forwarded to the department of revenue and deposited in the state general fund. ~~The remaining \$5 must be forwarded to the department for deposit in the motor vehicle information technology system account provided for in 61-3-550, and the remaining~~

1 \$1 must be forwarded to the department for deposit in the court information technology improvement program
2 account provided for in [section 5]."

3
4 **Section 4.** Section 61-3-204, MCA, is amended to read:

5 **"61-3-204. Replacement certificate of title -- application.** (1) If a certificate of title is lost, stolen,
6 destroyed, mutilated, or becomes illegible or if the owner wants to update personal information on the electronic
7 record of title or have a replacement certificate of title issued with updated information, the owner, as shown on
8 the electronic record of title, may apply for and request the department to issue a replacement certificate of title.
9 The application must include satisfactory evidence of the facts requiring the replacement certificate of title and
10 be accompanied by a fee of ~~\$10~~ \$11. Of the ~~\$10~~ \$11 fee, \$5 must be deposited in the state general fund in
11 accordance with 15-1-504, ~~and the remaining \$5 must be forwarded to the department for deposit in the motor~~
12 ~~vehicle information technology system account provided for in 61-3-550, and the remaining \$1 must be~~
13 forwarded to the department for deposit in the court information technology improvement program account
14 provided for in [section 5].

15 (2) Each replacement certificate of title issued by the department must contain the following statement:
16 "This replacement voids any previously issued title."
17

18 **NEW SECTION. Section 5. Court information technology improvement program account.** (1)
19 There is a court information technology improvement program account in the state special revenue fund
20 provided for in 17-2-102.

21 (2) Fees received by the department for the court information technology improvement program pursuant
22 to 61-3-103, 61-3-203, and 61-3-204 must be deposited in the court information technology improvement
23 program account established in this section.

24 (3) The money in the court information technology improvement program account must be appropriated
25 by the legislature to the supreme court and must be used by the supreme court for the purpose of:

26 (a) repaying any indebtedness or loan incurred for the court information technology improvement
27 program; or

28 (b) payment of costs directly incurred in the development and support of the court information technology
29 improvement program.
30

NEW SECTION. **Section 6. Deposit of loan proceeds -- capital project appropriation.** (1) The proceeds of any loan from the board of investments to the supreme court for the court information technology improvement program must be deposited in the capital projects fund.

(2) There is appropriated from the capital projects fund to the supreme court up to \$3.1 million for the court information technology improvement program described in 17-5-2001.

NEW SECTION. **Section 7. Codification instruction.** [Section 5] is intended to be codified as an integral part of Title 3, chapter 1, and the provisions of Title 3, chapter 1, apply to [section 5].

NEW SECTION. Section 8. Two-thirds vote. Because [section 1] authorizes the creation of state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of each house of the legislature for enactment of [section 1].

NEW SECTION. Section 9. Effective date. [This act] is effective January 1, 2006.

NEW SECTION. Section 10. Termination. [This act] terminates June 30, 2011.

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